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THE CHAIRMAN

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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

SEP 28 1993

*mm Docket 92-266*

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*Secretary*

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SEP 30 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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Honorable Michael D. Crapo  
House of Representatives  
437 Cannon House Office Building  
Washington, DC 20515

Dear Congressman Crapo:

Thank you for your letter expressing concern about how our new cable regulations may affect small cable systems.

On August 10, 1993, the Commission granted a temporary stay of the rate regulations for small systems with 1,000 or fewer subscribers (see enclosure) and initiated a Further Notice of Proposed Rule Making to examine the burdens on small cable systems. Our customer service standards are also under reconsideration.

Your comments will be placed in the record of these proceedings, and I assure you that they will receive careful attention.

Sincerely,

*James H. Quello*

James H. Quello  
Chairman

Enclosure



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

SEP 28 1993

Honorable Dirk Kempthorne  
United States Senate  
B40-3 Dirksen Senate Office Building  
Washington, DC 20510

Dear Senator Kempthorne:

Thank you for your letter expressing concern about how our new cable regulations may affect small cable systems.

On August 10, 1993, the Commission granted a temporary stay of the rate regulations for small systems with 1,000 or fewer subscribers (see enclosure) and initiated a Further Notice of Proposed Rule Making to examine the burdens on small cable systems. Our customer service standards are also under reconsideration.

Your comments will be placed in the record of these proceedings, and I assure you that they will receive careful attention.

Sincerely,

A handwritten signature in cursive script, reading "James H. Quello", is positioned above the typed name.

James H. Quello  
Chairman

Enclosure



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

SEP 28 1993

OFFICE OF  
THE CHAIRMAN

Honorable Larry E. Craig  
United States Senate  
302 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Craig:

Thank you for your letter expressing concern about how our new cable regulations may affect small cable systems.

On August 10, 1993, the Commission granted a temporary stay of the rate regulations for small systems with 1,000 or fewer subscribers (see enclosure) and initiated a Further Notice of Proposed Rule Making to examine the burdens on small cable systems. Our customer service standards are also under reconsideration.

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Sincerely,

A handwritten signature in cursive script, reading "James H. Quello".

James H. Quello  
Chairman

Enclosure

MICHAEL D. CRAPO  
2<sup>nd</sup> DISTRICT, IDAHO  
NEW MEMBER LEADER

ENERGY AND COMMERCE COMMITTEE

REPUBLICAN POLICY COMMITTEE

REPUBLICAN TASK FORCE ON  
AGRICULTURE  
CO-CHAIRMAN

REPUBLICAN TASK FORCE ON  
PRIVATE PROPERTY RIGHTS  
CO-CHAIRMAN

CONGRESSIONAL RURAL CAUCUS

9/17  
9/18

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-1202**

August 23, 1993

The Honorable James H. Quello  
Chairman  
Federal Communications Commission  
1919 M Street, N.W.  
Room 802  
Washington, D.C. 20554

Dear Chairman Quello:

As Members of the Idaho Congressional Delegation, we are writing to share our concerns over the status of small cable operators in the Commission's implementation of the 1992 Cable Act.

As you know, Congress has required under Section 623(i) of the Cable Act that the Commission "develop and prescribe cable rate regulations that reduce the administrative burdens and cost of compliance for cable systems that have 1,000 or more subscribers." This provision is an effort to protect small cable companies from excessive administrative burdens.

Idaho is a largely rural state, and the cost of doing business in serving isolated communities can be significantly greater than equal numbers in more densely populated areas. These burdens and severe restrictions on small cable companies' ability to recover costs should be recognized by the Commission in its oversight and regulation of rates.

Most small companies want to come into compliance with the Act, but lack the technical expertise to make the transition an easy one. To ease these burdens and thereby assure existing services to subscribers in rural and semi-rural areas, we urge the Commissioner to take the following actions:

- o Permit rate regulations based on a simplified net income analysis which would be easier to calculate and apply than the benchmark approach.
- o Allow small operators to set rates up to the benchmark cap.
- o Allow small operators to set rates, taking into consideration costs associated with expansion and providing new services when setting such rates.

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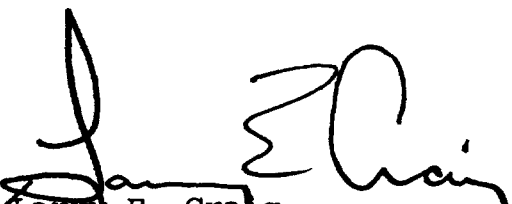
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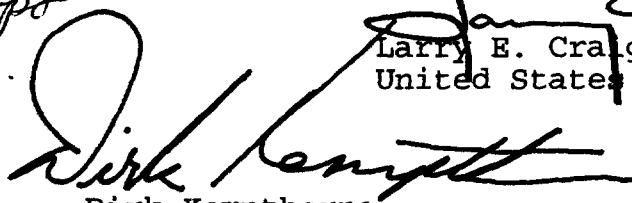
- o Permit systems to base rates on the bundling of service and equipment charges.
- o Clarify that small operators are not required to maintain local offices in each service area community, unless the population density of the community justifies maintaining such a local office.

These recommendations will help accomplish the intent of Section 623(i) of the Cable Act and also maintain the Act's intent of consumer protection. Thank you for your consideration of these matters.

Sincerely,

  
Michael D. Crapo  
Member of Congress

  
Larry E. Craig  
United States Senator

  
Dirk Kempthorne  
United State Senator